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THE SINGLE TAX AND ITS ADVOCATES.

BY W. H. STUART.

BY the way, en passant, I miss in the "National Single Taxer" any reference to the "able reply of Mr Burleigh to Stuart's ignorant arguments." What is the reason?

Mr. Burleigh is rather unfortunate in some of his replies to my strictures on Henry George and single tax economics. For instance, in referring to my assertion that George's implied claim to originality in "shattering" the alleged current political economy regarding the wages fund theory, and the Malthusian theory, was unfounded, my critic very weakly says: "As to Mr. Stuart's claim that Henry George did not 'shatter' the 'wages fund theory,' and the 'Malthusian theory,' because they had been shattered before by others, I would merely say that *if his arguments* shatter those theories, he shatters them, no matter how often the task may have been performed before." The italics are mine. Yes, truly, but the *arguments were not his*; they were the arguments of others to which he laid claim as the first one who had presented them. He claimed to be the first to "shatter" them. He asserted that the current political economy gave full assent to those doctrines, while the facts are that a score of economists and writers had fully refuted those theories before a word of "Progress and Poverty" had been written. And so far from "shattering" the wages fund theory and the Malthusian theory, it is absolutely true to say that he did not contribute one solitary argument, or one new idea towards their "shattering." His only original contribution towards a refutation of these theories shows that he did not understand them. When he used the illustration of the building of a tunnel, as showing the independence of labor on capital, he confounded two different things—the wages fund theory, which is a fallacy, and the necessary accumulation of capital, under the present capitalist system—for all his illustrations are drawn from and assume the permanence of the capitalist system of production—and therefore talked mere nonsense. Under the capitalist system, accumulated capital is indispensable, and would be just as indispensable under a single tax regime. Only under a collective system of production would private accumulations of capital become unnecessary. Again, when George admitted that on a limited area of land, such as a small island, that over-population might overtake subsistence, he surrenders the whole case; and, as John Rae points out: "He really admits all that the Malthusians generally contend for; and, coming to curse, he has really blessed them altogether." My critic's comment on this "limited area" matter shows that he does not even understand the merits of the question. He says: "As to over-population on a 'limited area,' it is possible anywhere where landlordism is. If the whole American continent were

inhabited by two men, it would still be "over-populated" if one owned it all and would not allow the other to apply his labor to it. One-half of the population could not earn a living." This is rather a bad break for so ready a writer on economics. The question of landlordism has no more relevancy to the question at issue than the question as to the probable population of the planet Mars. The question relates to the supposed validity of what is known as the "law of diminishing returns." As this economic term is not used in "Progress and Poverty," Mr. Burleigh is presumably ignorant of it. This ignorance of economics, outside of the few platitudes found in that work, is a disadvantage under which all orthodox single taxers labor.

Mr. Burleigh says: "Mr. Stuart's claim that Henry George took his arguments for the single tax from Patrick E. Dove's book on "The Theory of Human Progression," merely shows his ignorance of what he is talking about, for George never saw that book until after 'Progress and Poverty' was written." Indeed! How does it happen that Mr. Burleigh is able to be so positive in his denial? Was he daily in the company of Henry George when he was writing "Progress and Poverty?" If not, how does he know that George did not appropriate the ideas and arguments of Dove? The facts in the case are, that when George was writing his book in San Francisco he was a constant visitor at the public libraries. He quotes more than a score of authors whose works were accessible to him in these libraries. There were two public libraries in that city that each possessed a copy of Dove's work. How does Mr. Burleigh know that George did not read them? Many who have read Dove's book, and who are better judges than Mr. Burleigh, are positive in the assertion that the single tax theory, as set forth in "Progress and Poverty," was appropriated by the writer from Dove's "Theory of Human Progression." This is why J. W. Sullivan, B. Tucker, and others, have accused, and practically convicted Henry George of appropriating the ideas and arguments of an abler and more original thinker than himself, and palming them off as his own. Mr. Burleigh asks: "What difference does it make in the strength of the arguments for the single tax, whether they are printed in one book or another, or who wrote them?" To which I reply, no difference whatever. But it makes a great deal of difference in regard to our personal estimate of a writer to know whether he is inexcusably ignorant, or merely a pretender. For instance, referring to the "shattering" which George claims he effected in the current political economy in regard to the wages fund and Malthusian theories, if he was unaware that a score of others had already done the "shattering," then he was inexcusably ignorant. If he was aware of what others had done, and then laid claim to be the original "shatterer," then he was not honest. If he read Dove's book, and appropriated his ideas and arguments without giving due credit, then he was a mere plagiarist. Mr. Burleigh may accept either horn of the dilemma which he chooses for his leader. Those who desire to form an intelligent opinion on the subject should read J. W. Sullivan's clever and convincing brochure, entitled, "Ideo-Kleptomania, or the

Case of Henry George," Humboldt Publishing Company.

Quoting my third point, that: "Admitting the single tax contention, that rent would increase with increase in population in even greater ratio under a single tax regime than at present, the question at once arises: How would security of tenure of land be affected by a tax that would vary so enormously with increase of business or population?" Mr. Burleigh, like other single taxers, does not care to tackle the arguments I have offered showing the insecurity of tenure of land and improvements that would inevitably result under a single tax regime; he prefers to deny that this increase in rent under the operation of the single tax is a "single tax contention." He tells us, what is very true, that: "When all the rental value of land is taken by the government, speculation in land will be killed." This, however, is not the question at issue. Single taxers claim that the enormously increased demand for the land under a system of free access to it, would greatly increase the aggregate amount of economic rent available for public revenue, indeed, to such an extent that Henry George contends that under the operation of the single tax: "Government could take upon itself the transmission of messages by telegraph, as well as by mail, of building and operating railroads, as well as opening and maintaining common roads . . . We could establish public baths, museums, libraries, gardens, lecture rooms, music and dancing halls, theaters, universities, technical schools, shooting galleries, play-grounds, gymnasiums, etc. Heat, light, and motive power, as well as water, might be conducted through our streets at public expense; our roads lined with fruit trees; discoverers and inventors rewarded, scientific investigations supported; and, in a thousand ways, the public revenues made to foster efforts for the public benefit. . . . Government would change its character, and become the administration of a great co-operative society." This is a long way towards the collectivist ideal, though shallow writers like Jose Gros ridicule the mere possibility of government acquiring and operating public utilities that Henry George makes so light of. Indeed, Mr. George assures us: "Society would thus approach the ideal of Jeffersonian democracy, the promised land of Herbert Spencer, the abolition of government, but of government only as a directing and repressive power. It would at the same time, and to the same degree, become possible for it to realize the dream of socialism." Mr. Burleigh will, I presume, admit that Mr. George's idea of the possible extension of public functions by the confiscation of economic rent was a liberal one. This increase in economic rent was evidently a "single tax contention," so far as Mr. George was concerned. Thomas G. Shearman thought likewise, but not liking the strides towards state socialism outlined by George, he proposed the dropping of the dancing halls, shooting galleries, etc., from the program, and restricting the sphere of government functions within more prescribed limits, for which purpose he considered the confiscation of 65% of economic rent as amply sufficient. Mr. Shearman's program included the government ownership of all natural monopolies. It is evident that he also thought an increase in economic rent

a reasonable "single tax contention."

A short time before the demise of the *Standard*, the single tax organ, referring to the encouragement offered by a New Jersey town to a foreign manufacturing company, by remission of taxes for several years, was moved to remark: "If we of New York City could make the same kind of offer to manufacturers generally, every piece of vacant land on this island would have a factory on it in a short time. \* \* \* What will make them (the landlords) loose their hold so that manufacturers will rush to this island and erect factories and give employment to tens of thousands of people? The single tax will do it." Manhattan Island is not yet half occupied. If every vacant lot had a factory on it, would not economic rent be enormously increased? If so, is it not a "single tax contention," as I asserted, that rent would greatly increase under a single tax regime? The Detroit *Evening News*, a single tax paper, said editorially in its issue of March 14th, 1892: "Mr. Stuart is wrong. Not only will the single tax not decrease Detroit's land rents, but it will, if anything, increase them. Not only will there be no vacant lots without value, but there will be a demand for every foot of land in the city." The Baltimore Critic (single tax) asserted the same of that city. Indeed, there is probably not an editor of a single tax paper in the country but has asserted the same of the town or city in which his paper is published. If demand for land is doubled or quadrupled, will not economic rent increase? If so, what becomes of Mr. Burleigh's foolish and ignorant denial that it is a "single tax contention" that it will?

Indeed, every intelligent reader of "Progress and Poverty" knows that its author persistently contends that economic rent will continue to increase with increase in population or business. And, as business is expected to increase enormously under a single tax regime, why, from the single tax point of view, should not economic rent increase in the same ratio? Indeed, the pious George sees in this "fund" which increases in direct ratio to the needs for an ever increasing public revenue, an evident and unmistakable provision of the Divine Intelligence! And if economic rent greatly increases under a single tax regime will not security for tenure of land and improvements be, not merely impaired, but utterly destroyed? Let it be remembered that Henry George himself declares that the effect of the single tax would be to virtually put up annually or biennially all land at auction. The user of land or the owner of improvements could only retain his holding by standing ready at every assessment to pay the same rental that any other citizen was willing to pay.

Who would like to erect improvements in a rapidly growing town, under such uncertainty of changes in rental values, and consequent insecurity of tenure of land and improvements?

But, while I have shown conclusively that such an expected increase in economic

rent is "a single tax contention," I have shown just as conclusively that it is an ignorant economic fallacy. A fallacy based on the assumption that present rent is economic rent, whereas, on the contrary, as I have stated, present rent is "monopoly rent," due almost exclusively to the monopolization of vacant land. Land monopoly, as all single taxers contend, and contend truly, would be entirely abolished under the operation of the single tax. Indeed, the enforcement of present laws relating to equality of assessment and taxation would have practically the same effect. So that economic rent in the presence of twelve times more land than there is present use for, would, under the law of supply and demand, sink to certainly one-fourth, probably one-tenth, and possibly one-twentieth of present rent. If so, and I am glad to see that Mr. Burleigh fully accepts my estimate of the possible reduction in economic rent — the first single taxer, by the way, that ever did — what becomes of that fund upon which single taxers so confidently rely for raising all public revenue? In this quandary Mr. Burleigh finds solace and consolation in the belief that a tax on land values is the only honest tax; that a nation no more than an individual would be justified in resorting to robbery to make up for a deficiency of income. He also claims that the amount of revenue needed would for various reasons be much less than now.

In this expectation he is directly opposed to Mr. George, whose plan for greatly extending the work and functions of government, I have already quoted. His plan would require an enormous increase of public revenue, the possibility of realizing it gives Mr. George no concern. To Mr. Burleigh, as to other single taxers, there is some mysterious and occult connection between rent of land and public revenue. This is merely another single tax superstition, resting on no better scientific basis than the supposed relation between rent, interest and wages. First, it is decided that a tax on land values is the only honest source of public income, then it is assumed that the Divine Intelligence has so wisely arranged matters that one will always equal the other, or if, as in the case of Mr. Burleigh, there is any doubt on the matter, it is heroically maintained that, at any rate, "there is just one honest source of public revenue, the value of land, and governments must live on that or be dishonest. They, like individuals, must bring their expenses within their proper income." This is mere rubbish. The very attempt to raise all revenue from land would decrease the revenue from that source to a mere fraction of what it is now, as I have fully shown. An "honest tax" is the tax a citizen pays for public improvements, and the guarantee for security of life and property, no matter whether that property is in the form of land, or in personal property, or bonds, or money, or wealth of any kind. An "honest tax" is one where the tax bears a just proportion to the value, of improvements and the cost of government protection. Government, as at present constituted, is principally a mere machine for enforcing property rights and privileges, whether in the shape of tangible land or improvements, or intangible privileges or franchises, and those who receive this protection should pay for it in direct ratio to the value of such protection. As it

costs more to protect a bank, or a street railway, or a Homestead rolling mill, or the property of the Pullman Palace Car Company, than it does the shanty of a coal miner, an honest tax must, therefore, be the exact difference in the cost of protection for the life and property of the coal miner, and the others named. To conclude. The one good thing about the single tax is the frankly expressed desire and intention to make land "common property." But the methods proposed are dishonest. The rent derived from land, or the "unearned increment" of it, is just as honest and defensible as the interest derived from capital, both represent robbery of labor. The capitalist no more produces capital than the landlord does the land. Nature produces one — labor the other. The possession of either by one who can not show a title deed from the Creator, or who can not show that he gave an exact equivalent, not merely an agreed wage equivalent, but an exact equivalent to the laborers who produced this capital, constitutes the possessors equally robbers. If a man gives an exact equivalent for the labor of others, he will never become a capitalist. To become a capitalist he must buy labor for "wages," which is always less than an equivalent. We have the hearty assurance of Andrew Carnegie to that proposition. Therefore, the effort or intention of the single taxers to confiscate capital in the shape of land, while leaving other forms of capital intact in the hands of its owners, is not merely dishonest, but would be, at the same time, ineffective in solving the labor problem. It is the capitalist, not the landlord that is king. The single tax theory is also weak in that it did not foresee that individual control and use of land for industrial purposes is becoming impossible.

Last September I rode through a private grain ranch for ten straight miles, extending on both sides of the road almost as far as the eye could reach. During the whole distance there was not one decent habitation; hardly a tree, and scarcely a cultivated flower, only here and there a wild one. Nothing but rude barns, corrals or covers for farm machinery or stock, with here and there at long distances apart, unpainted shanties for use of the permanent farm hands; the temporary farm hands sleep on the ground in their blankets. The grain being harvested, there was hardly an employe in sight the whole distance. While plowing or harvesting was in progress extra men were hired, who were promptly discharged when the special work was over. This was capitalist farming. Applying the factory methods of organization and subdivision of labor to agriculture. Wheat can be raised and sold on this farm for 50 cents per bushel and yield a profit. This is what farming is coming to. It will be only a few years before the supersession of the small by the large system will be just as complete and effective in agriculture and horticulture as it is now in nearly all other forms of industry. Suppose under a single tax regime, first-class land, like the land of this bonanza farm could be had for an annual rental or single tax of one dollar per acre. Would not the relative difference in the cost of production between the large and small system of farming remain the same as at present? Would not the man who could command sufficient capital to provide the best and costliest machinery for

farming ten to fifty thousand acres, be able to produce and sell for half or one-third the cost of the small farmer? Would not the supersession of the latter be just as inevitable under one system as the other?

It is quite true, as Benjamin Kidd maintains in his "Social Evolution," that society is moving forward to the ideal of equality of opportunities to all. But equal opportunity means far more than to give to each individual free access on equalized terms to the mine, the forest or the farm. For in the presence of nature's giant forces, unaided by the modern wealth-compelling factors that are necessary to properly utilize them, the individual, with all his energy and ingenuity, stands almost helpless. No, equality of opportunity lies in admission on equal terms, as a member of organized society to all the forces and factors which a thousand years of progress under social organization have made potent in our contest with nature. To ask men to work out individually their industrial salvation is to invite certain defeat. The right of individual economic initiative, which shallow individualists worship under the name of "industrial freedom," is, under modern conditions of concentration of wealth, the merest mockery, and its advocacy a travesty on common sense. He who demands, or boasts of such "freedom" might much more properly exult in his "freedom" from the trammels of reason and ordinary intelligence. For, as Mr. Bellamy very acutely points out in "Equality," referring to the impossibility of political freedom under industrial bondage, that under the competitive capitalist system — a system that the single tax would not disturb — the average man armed with a Winchester, and being a fair shot, has a better chance to maintain his personal and political liberty — in the absence of government protection — than he has to maintain his economic freedom in competition with organized capitalism.

The irrepressible tendency towards combination, concentration and association, indicates the operation of a natural law; to resist or oppose it is vain, rather let us seek to place ourselves in harmony with the laws and tendencies that are evidently working toward the realization of a more just and noble and at the same time, a more scientific organization of the industrial forces of society, in which equality of opportunity for the "right of life, liberty and the pursuit of happiness" will be assured to all on the only possible basis, viz.: that of economic equality.

In recent issues of the Journal I have been greatly entertained by certain criticisms indulged in by my friend, Jose Gros, who I regret to say insists on taking himself seriously, whereas, on the contrary, Bro. Gros is a humorist, only like Scotch wit, the humor is unconscious. For instance, in the July Journal, under the caption, "Unable to See the Cat," my erratic friend takes me to task for making statements, which he insists are more or less in "flagrant opposition" to the school of economics to which I belong. Now while I find it utterly impossible to take Brother Gros seriously, yet it may not be amiss to retort, that he is hardly good

authority for any assertion in regard to the tenets of the school to which I belong. Indeed I might truthfully say that he is authority for no school of economics. He is not even fairly posted in the single tax "school" to which he "belongs." He has two ideas; 1st, that land monopoly is the foundation of all monopolies; 2nd, that taxation of land values would destroy plutocracy and solve the social problem. Why land monopoly is the basis on which all other monopolies rest, or why the taxation of land values would destroy industrial monopolies, in which the tenure or taxation of land cuts an insignificant figure, he never makes the least effort to demonstrate. He merely keeps on repeating the statements parrot like, *ad nauseum*. But what Bro. Gros lacks in economic knowledge he makes up in intimate acquaintance with all laws, natural and divine. The single tax is in accordance with "natural" law, also with "divine" laws. God was the first single taxer. What Bro. Gros doesn't know about the purposes and intentions of the Almighty is not worth knowing. Here, the best of us must yield him humble deference. We may laugh at his economics— and by the way, we do,— but when it comes to an expert exposition of "Divine Laws," and the "Divine Will," we can only listen in awe and hold our peace.

Now in regard to my alleged statements in "flagrant opposition" to the school to which I belong. That school advocates the common ownership of all the means of production, distribution and exchange, in opposition to private ownership of them. Nothing more, nothing less. The only difference in our "school" is in regard to the best and most practical methods for effecting that object.

Mr. Gros says: "Public ownership of the instruments of production has but one object, the object of suppressing all monopoly." With his usual inexactness he failed to say, "All private monopoly." Our "school" does not object to a "public" monopoly in which every citizen is an equal stockholder. "And," continues Mr. Gros, "And still land monopoly could continue, they tell you, for fifty years without any poverty anywhere." No, they don't "tell you" anything of the kind. The statement of Mr. Gros is supposed to be my statement, on the contrary, it is a figment of the Gros' imagination. What I did say and now repeat is that with common ownership of the instruments of production, and the strict enforcement of the laws requiring the equal assessment of all land, vacant and improved, that private ownership of land might continue for the next 50 years without being the cause of poverty. I might have said 250 years and have been correct. With equal taxation of all land vacant or improved it would be entirely unprofitable to hold vacant land out of use.

It is not the private ownership of occupied land, that causes poverty, but the private ownership of vacant land that does so. There are first-class opportunities in this country yet undeveloped for a population of 500 millions, and for the next 500 years there will be ample land and natural resources for any probable increase

in population. Under collectivism there is no reason why every man should not own his home and the land upon which it is situated as absolutely as he does now. A population of 500 millions would not exhaust the land. It is only necessary that the land needed for the production of wealth should be public property. That would not require one-twentieth of the present area of the land. Mr. Gros. says: "Our friend claims to know that economic rent" (under equal taxation) "would be but one-twentieth of what monopoly rent is today." No, "our friend" claims "to know" nothing of the kind. "Our friend" "estimates" that the reduction of economic rent, under the operation of a tax that would throw upon the market 10 to 20 times more land than there is present use for, would be certainly one-fourth, probably one-tenth, and possibly one-twentieth of present monopoly rent due to the private ownership of all land vacant and occupied. This is the truthful statement. I regret that it does not suit Mr. Gros to use it. Not more than half the land within the municipality of New York City is occupied. The adoption of equal assessment or the single tax, would make it impossible to hold out of use 90% of this vacant land. With 90% more vacant land offered in New York City than there is immediate use for, what would be the probable reduction in economic rent that would likely ensue? With, say, 90% more houses, stores, hotels, opera houses, etc., than there would be present use for, what would be the probable reduction of rent?

Mr. Gros imputes to me the idea that if we make it unprofitable to speculate in land by adopting an ethical system of land taxation, "then, out of sheer spite, the people shall scatter themselves, like frightened rabbits, over all our land, in little hamlets through the jungle, leave the best lands or more favorable locations, \* \* \* because they will not need to pay high rents to a few monopolists," etc., etc. This "amusing idea," as my friend terms it, is not mine, but a pure fabrication of the fertile brain of Jose Gros, Esq. I am not in the habit of giving expression to such childish and absurd ideas. I willingly leave my friend Gros a full "monopoly" of them. "Another fine conception," continues this absurd critic of mine, "from our dear friend. \* \* \* He says that land taxation would be an outrage to the poor widows who own a little house worth \$500, on a plot of land worth \$500,000." This is really too sad. I fear "our dear friend" is afflicted with a chronic impediment in his understanding. Nothing better illustrates the limitation of the single tax intellect than its utter inability to grasp the simplest proposition of an opponent. In the whole of Mr. Gros' criticism there is not one idea he imputes to me that is mine, nor one quotation from my article that is correct This way of treating an opponent is not the result of intentional dishonesty and untruth on the part of Mr. Gros, but is rather due to a slovenly and careless habit of reading, or rather glancing over, an opposing argument. For, of course, as the arguments of those who oppose the single tax must be wrong, there is obviously no necessity of quoting them exact or correctly (?) In addition to which it is simply impossible for the average single taxer, who knows almost nothing of economics outside of

George's shallow book, to understand the arguments of an intelligent opponent So far from referring to the "widow" with the \$500 house and \$500,000 lot as a sample of single tax "injustice and outrage," I referred to it specially, and the assertion that landlords would shift the single tax on to their tenants, as samples of the ignorant arguments against the single tax, which single taxers find so easy to answer. I said: "The ease with which the eager single taxer shows that the landlord could not shift the single tax, and the pathetic humor displayed for the "poor widow" captures the ignorant auditor and leaves the impression on his mind that all other objections could be answered with equal facility." Then I go on to offer some real objections which I find it difficult to induce single taxers to discuss. Their national organ, "The Single Taxer," can not be coaxed into a discussion, nor the editor of the single tax column in the San Francisco "Examiner," nor our local single tax club, not even Mr. Gros himself.

But in the August Journal the "gifted Gros" fairly outdoes himself. He shows how utterly impossible it would be for the American people to own and control their own industries. In the first place, the capitalists would not sell them, in the second place, even if the capitalists were will let us try to be sensible when we write economic articles." It is difficult to treat such rot and rubbish seriously. The fact that 54 governments now own and operate railroads, telegraph or telephone lines; that according to "Vrooman's Public Ownership," over 350 different industries are carried on by various governments, municipal or state, in different parts of the world, and all, or nearly all successfully; that no government bonds issued in payment of such public works were ever dishonored, or that any government ever became bankrupt through ownership and operation of public utilities, cuts no figure with this comic writer on serious subjects. We have a man in this city who talks in the same strain, but he is a capitalist, and has the honesty to avow that he represents his class. What must we say of an alleged reformer who preaches the impossibility of industrial democracy; that a dozen men can borrow money, build and operate a railroad, but that 70 millions cannot? Of such a man, an alternative proposition must be true, he is either an ignoramus, or a paid capper for capitalism. Let me hasten to say, in justice to Mr. Gros, that I do not for a moment believe him to be a paid capper. Finally, to wind up this "comedy of errors," there are no "well balanced socialists" whose "ideals embrace the scheme of land value taxation as indispensable to their other plans for social reconstruction," if by land value taxation is meant the single tax. All well-balanced collectivists repudiate Henry George and his pseudo "sovereign remedy," as a "fake" cure for our economic ills.